

April 3, 2007

Reply to: Columbia  
Email: [shamm@rpclaw.com](mailto:shamm@rpclaw.com)  
Private Line: 803-576-3713

**VIA HAND DELIVERY**

The Honorable Charles L. A. Terreni  
Chief Clerk/Administrator  
The South Carolina Public Service Commission  
P.O. Box 11649  
Columbia, SC 29211

RE: Docket No. 1997-239-C/Proceeding to Establish Guidelines for an Intrastate  
Universal Service Fund ("USF")

Dear Mr. Terreni:


By Commission Directive dated March 7 2007, the parties were requested to identify the specific issues that should be further explored in this docket. In response to the Directive, Verizon South Inc. ("Verizon") identifies the following issues and briefly notes its positions on them:

1. Whether the Commission should proceed with this docket before the pending appeals relating to the South Carolina USF have been decided. Verizon respectfully submits that moving forward now would not be an efficient use of the Commission's or the parties' time because of the significant risk that any issues addressed now would have to be revisited after the appeals have been resolved. The better course would be to address all issues in one proceeding once the pending litigation has reached its conclusion.

2. Whether the USF Guidelines should be modified to conform to Act 175. If the Commission decides to proceed with this docket, then this issue might be one that could be resolved with relatively lower risk of duplication of effort, and Verizon would support conforming the USF Guidelines to Act 175.

If you should have any questions or concerns regarding this matter, please feel free to contact me at (803)771-4400.

Sincerely,



Steven W. Hamm

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